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7-3429

18 August 1955

The Honorable  
Loy W. Henderson  
Deputy Under Secretary for Administration  
Department of State  
Washington 25, D. C.

Dear Loy:

Because I shall have left for an extended trip before you return to your office, I am taking the means of expressing to you my continuing interest in the budget and personnel strength of the intelligence area of the Department. You will recall my letter to the Secretary of State of June 6th, which you were good enough to answer on June 15th, and the reasons set forth therein for hoping that the Department's intelligence area could be substantially strengthened in fiscal year 1957. I also wrote to the Director of the Bureau of the Budget on June 25th, giving him my reasons in some detail, and I believe a copy of that letter has been made available to you.

I understand that the Department now is in the process of allocating personnel and budgetary ceilings for fiscal year 1957 on the basis of the ceiling for the Department laid down by the Bureau of the Budget. While I appreciate that present allocations are tentative and also that the Bureau of the Budget did not allow all of the increases that were requested by the Department, I understand that the increase being considered for the intelligence area falls considerably short of that which it requested, and would hardly permit the degree and kind of strengthening that I believe is important to the Department and the Federal intelligence community.

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I assure you that I am most reluctant to insert myself into internal decisions of the Department, but, as I said in my letter to the Secretary, I believe I have an obligation under the National Security Act to endeavor to see that each element of the country's intelligence system is adequately staffed to perform the functions assigned to it. I would wish to discuss this with you personally if I could, but since I shall be away, I wonder if on your return you could spare the time for one or two of my principal associates to meet with you and indicate more fully the reasons for our concern in this matter.

With warmest regards.

Sincerely,

SIGNED

Allen W. Dulles  
Director

AWD:at  
Distribution:  
Orig + 1cc - Addressee  
1cc. Mr W. Armstrong, Jr.  
State Dept  
1cc - DCI file

1cc - E R (by hand) - TS #142715  
(note: letter to 142715 (TS 142716) was  
sent to Mr Nelson by [redacted]

CONCUR:

[redacted]

INTELLIGENCE

PC  
JR

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General Cabell called Mr. Armstrong on 19 August 1955 and advised him that should the Director and/or he be called upon by Mr. Henderson to substantiate our request for an increase in the budget of the "R" Division of the Department of State, he (Gen. Cabell) assumed Mr. Armstrong would have some facts and figures readily available for us. Mr. Armstrong indicated he would prepare such a piece of paper and also said the Director's letter of June 25 was to the Bureau of the Budget would be helpful if CIA is called upon to state our views as outlined in this communication.

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